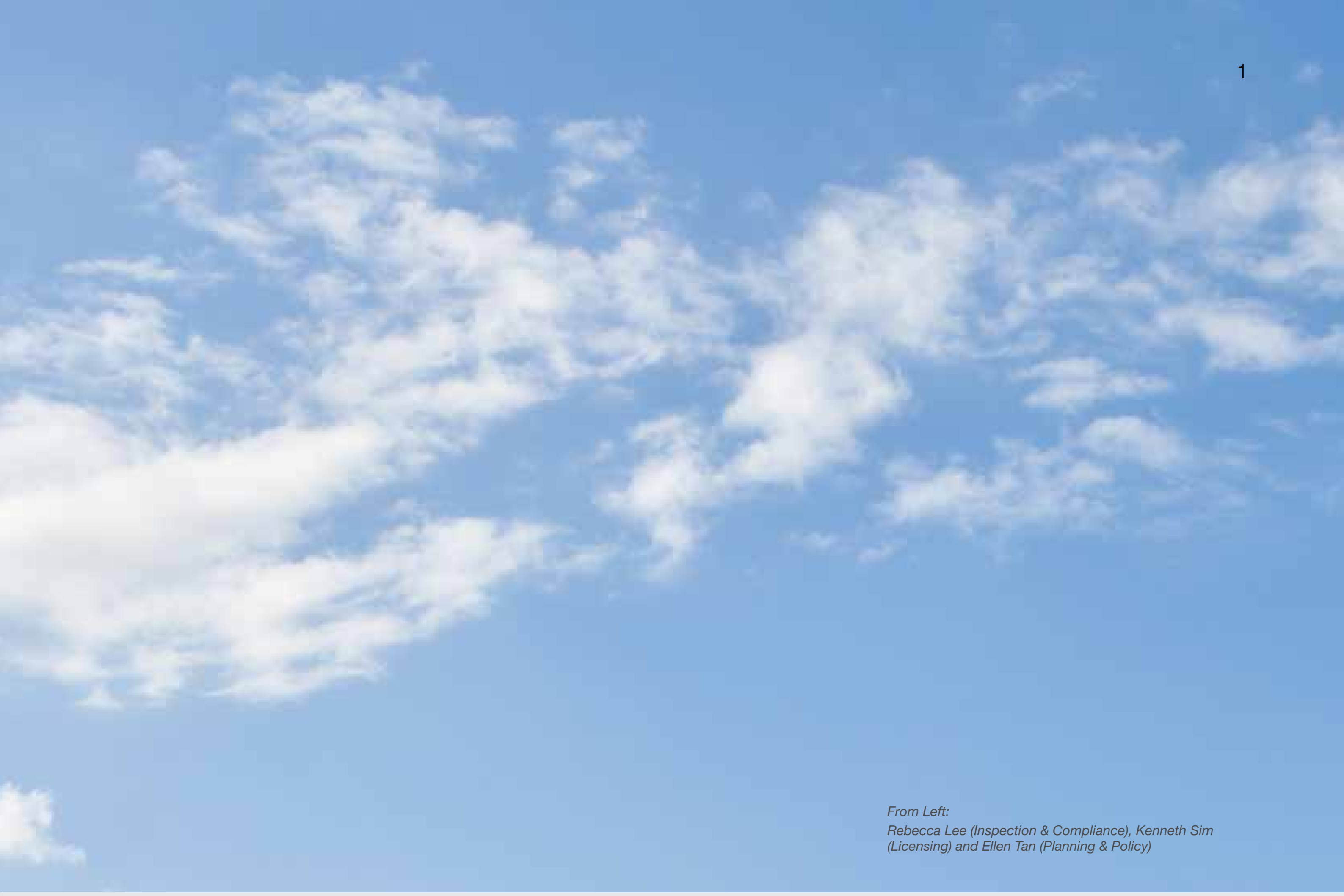
deepening expertise developing people

annual report 2011/2012

casino regulatory authority

contents

Cover (from top left, clockwise):
Lawrence Lee (Inspection & Compliance), Yvonne Seet-Abori (Corporate Communications), Alfred Tay (Investigations), Priyalatha Silvamani (PA to Chairman & Chief Executive), Christopher Tan (Gaming Technology & ICT Systems) and Pamela Tan (Internal Audit)



From Left:
Rebecca Lee (Inspection & Compliance), Kenneth Sim (Licensing) and Ellen Tan (Planning & Policy)

vision

To be the Trusted Casino Regulator, Advancing Our Mission with Pride and Integrity for a Safe Singapore.

mission

Ensuring that the management and operation of a casino is and remains free from criminal influence or exploitation.

Ensuring that gaming in a casino is conducted honestly.

Containing and controlling the potential of a casino to cause harm to minors, vulnerable persons and society at large.

> “Smart and effective regulation by CRA is a continuing challenge. But do it, we must.”

chairman’s foreword

investing in capabilities, ensuring public accountability

2012 is our third year as the Casino Regulatory Authority (CRA). In addition to our statutory obligations and providing regulatory oversight over the casino industry, CRA conducted its first holistic compliance inspection of the casinos, licensed two international market agents (IMAs) and established several new technical standards and notices to ensure the integrity of games in the casinos. CRA will also host the International Association of Gaming Regulators’ (IAGR) Conference in October 2012, the first Asian regulator to do so.

Public Accountability

The CRA’s public accountability is clear: that the casino industry remains free of criminal influence; that gaming is conducted honestly; and that the vulnerable in our society are duly protected. Yet, there are numerous challenges associated with each of these tasks. We work with other Home Team agencies and other public bodies towards this end.

We have done well to keep crime out of our casinos. Overall, the total number of reported crimes in Singapore has been falling over the past few years. Casino related crimes formed a small fraction of less than 1% of these in 2011. These are healthy trends and an indication of the close collaboration between CRA and our fellow Home Team agencies.

The casino industry is constantly being shaped by new technological developments. They influence the conduct of gaming. CRA’s role of ensuring gaming integrity will only increase in complexity in tandem with the new gaming technologies. Our hosting of the IAGR this year will allow us to keep abreast of these developments as well as regulatory challenges and resolutions in other jurisdictions.

In August this year, CRA took disciplinary action against both casino operators for breaches of social safeguards. CRA would have liked to see our casino operators exercising faithful diligence in this area. More can be done by them.

The review of the Casino Control Act recognizes these challenges. Our regulatory and legislative schema must remain current and effective.

Deepening Expertise, Developing People

We now have and continue to build up the expertise of our CRA officers. It is essential that our officers have the requisite instincts and smart judgements of the risks and solutions on the floor and of the macro industry. Hence the 2012 CRA Workplan Seminar theme of "Deepening Expertise and Developing People".

Almost three-quarters of CRA officers have tertiary education and over a quarter have good honours degree. About half of our officers hold professional degrees (e.g. in law or accountancy) or have experience in law enforcement and regulation. My personal experiences interacting with our CRA officers also assure me that we have a capable and committed team.

Specially designed HR schemes will help officers deepen their expertise. Two scholarships have already been awarded to CRA officers to pursue tertiary and post-tertiary education under the Continuous Education Framework. We will soon launch a comprehensive programme to provide structured training for our CRA staff. Four CRA officers were sent to the Nevada Gaming Control Board (NGCB) in March 2012 for further training.

In addition, we will deepen our expertise in technical forensic investigations. This is to enable our CRA officers to duly investigate potential criminal activities taking place within the casino industry and also enhance their effectiveness in conducting probity checks. As a member of the Home Team, CRA can leverage upon and learn from the other agencies in this area.

conclusion

Smart and effective regulation by CRA is a continuing challenge. But do it, we must.

Mr Richard Magnus
Chairman

> "To do our job well, we have tirelessly sought to recruit the right people, and to train and develop them as professionals in regulation. Our industry is niche and complex, and our skills and competencies must likewise be up to the mark."

chief executive's message

introduction

As CRA enters our fifth year of operations and third year of practical experience in regulating the casino industry, we continue to work hard to set the right regulatory tone with our licensees: compliance must come before commerce. To do our job well, we have tirelessly sought to recruit the right people, and to train and develop them as professionals in regulation. Our industry is niche and complex, and our skills and competencies must likewise be up to the mark.

year in review

In retrospect, financial year 2011 was a year in which CRA took bold and decisive steps. We launched a full-scope inspection of the casinos to ensure compliance with our regulations and rules. The inspection was a rigorous effort by our inspectors to dive deep to examine the various aspects of casino operations so that we have a better understanding and assurance of the integrity of the two casinos. On the enforcement front, we took firm disciplinary actions on casino operators for breaches of our regulations, so as to ensure that the industry continues to improve its level of compliance.

2012 has been and will continue to be a busy and intense year. The government has embarked on a thorough review of the Casino Control Act (CCA). The CCA review underscores the need for us to provide greater clarity on our regulatory regime and to ensure that the appropriate levers are in place for us to regulate the industry well. Much remains to be done for us to see through the proposed amendments.

sharpening our vision

To provide a clear guiding light as we navigate the changes ahead, we embarked on a corporate-wide re-visioning exercise. Every staff in CRA, our board members and other key stakeholders were consulted to craft a vision that would provide an unwavering focus and purpose for CRA and our officers as we strive to be ahead of the game.

After much intense discussions, I am proud to share our new vision **"To be the Trusted Casino Regulator, Advancing Our Mission with Pride and Integrity for a Safe Singapore".**

I will explain each of the elements in the statement:

1. **Trust.** It encompasses all that we do internally and externally. The public entrusts us to carry out our duties with utmost professionalism. Our strategic partners trust that we take a pragmatic and far-sighted approach to challenges through sound policy formulation and implementation. Our staff can also trust that CRA will take care of them and realise their full potential by developing them as persons and also as professionals in regulation. Lastly, the casino operators and our other licensees can trust us to perform our duties impartially and with integrity.

2. **Advancing our mission.** We go beyond the call of duty and are committed to doing our best in fulfilling our mission to keep criminal influence out of our casinos, ensure gaming integrity, and protect the vulnerable from the potential harm arising from the casinos. We are proactive and ready for changes in the industry.

3. **Pride and Integrity.** We are professionals in regulation. We carry out our duties with pride and display the highest levels of integrity at all times during the course of our work. We are proud of the important role that we play as part of the larger Home Team, serving Singapore and Singaporeans.

4. **Safe Singapore.** As part of the Home Team, we strive to contribute actively towards the safety and security of our best home, Singapore. In all that we do, we maintain our focus on keeping Singapore safe and in protecting Singapore's interests.

Our new vision will galvanise us and our stakeholders to do the right thing for Singapore and the industry, and to stay the course.

chief executive's message

investing in human capital

Our people have shaped much of CRA's initiatives and key developments. It is apt that our theme this year is "Deepening Expertise, Developing People". In enhancing our regulatory framework, CRA recognises the importance of staying strong, as an organisation, by sustaining our investment in human capital.

CRA has a workforce of about 130 staff to carry out its mission in a highly specialised industry. It is therefore imperative for us to retain and develop our staff through robust HR practices. Greater emphasis will also be placed on improving our training framework and ensuring succession planning at all levels of the organisation.

CRA on the world stage

In October 2012, CRA will be the first Asian regulator to host the International Association of Gaming Regulators' (IAGR) Conference. Hosting the IAGR 2012 Conference in Singapore will boost CRA's standing as a casino regulator on an international platform, and affirm that CRA has come a long way despite being a relatively new regulator.

Some 200 industry experts and representatives from 30 gaming jurisdictions will attend the three-day event from 21 to 24 October to network and engage in discussions on diverse topics such as the prevention of money laundering and the challenges of casino developments in emerging markets. The conference is a significant and timely opportunity for us to host, learn and share our knowledge with our foreign counterparts, and vice versa.

conclusion

The continued success of CRA cannot be achieved without the collective effort and partnership with government agencies and other stakeholders, and the commitment of our board members and every one of our staff. I would like to express my heartfelt thanks to all these persons for their support, invaluable contributions and hard work to help us achieve our new vision.

Mr Lau Peet Meng
Chief Executive

empowered to succeed

LEADING THE WAY

board members

Mr Richard Magnus

Chairman

Mr Chang See Hiang

Senior Partner

Chang See Hiang & Partners

Mr Patrick Daniel

Editor-in-Chief

English & Malay Newspapers Division

Singapore Press Holdings

Mr Benedict Cheong

Chief Executive Officer

Temasek Foundation

Ms Goh Soon Poh

Deputy Secretary (Policy)

Ministry of Home Affairs

Ms Lai Wei Lin

Director (Healthcare Finance)

Ministry of Health

Mr Liew Heng San

Independent Non-Executive Director

Board of AIA (Singapore)

Mr Lim Lee Meng

Senior Partner
RSM Chio Lim LLP

Ms Ong Toon Hui

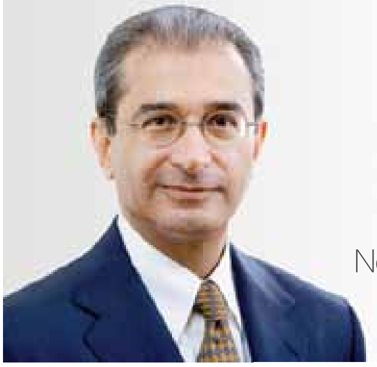
Deputy Secretary
Ministry of Community Development, Youth and Sports

Mr Eric Low

Executive Chairman
Aptitude Management Consulting Pte Ltd

Mr Gerald Singham

Partner
Rodyk & Davidson LLP



Mr Kaikhushru Shiavax Nargolwala

Independent Non-Executive Director
Board of Prudential plc

Mr David Wong

Chairman
Methodist Welfare Services

Mr Ng Joo Hee

Commissioner of Police
Singapore Police Force

Mr Ernest Wong

Chairman
Fullerton Financial Holdings Pte Ltd

Our heartfelt thanks to Mr Leo Mun Wai for his invaluable contributions during his term of office from 2 April 2008 to 1 April 2012.

board committees

The CRA Board advises and provides strategic guidance to the management of CRA to meet its objectives. The CRA Board is assisted by the following committees:

Audit Committee

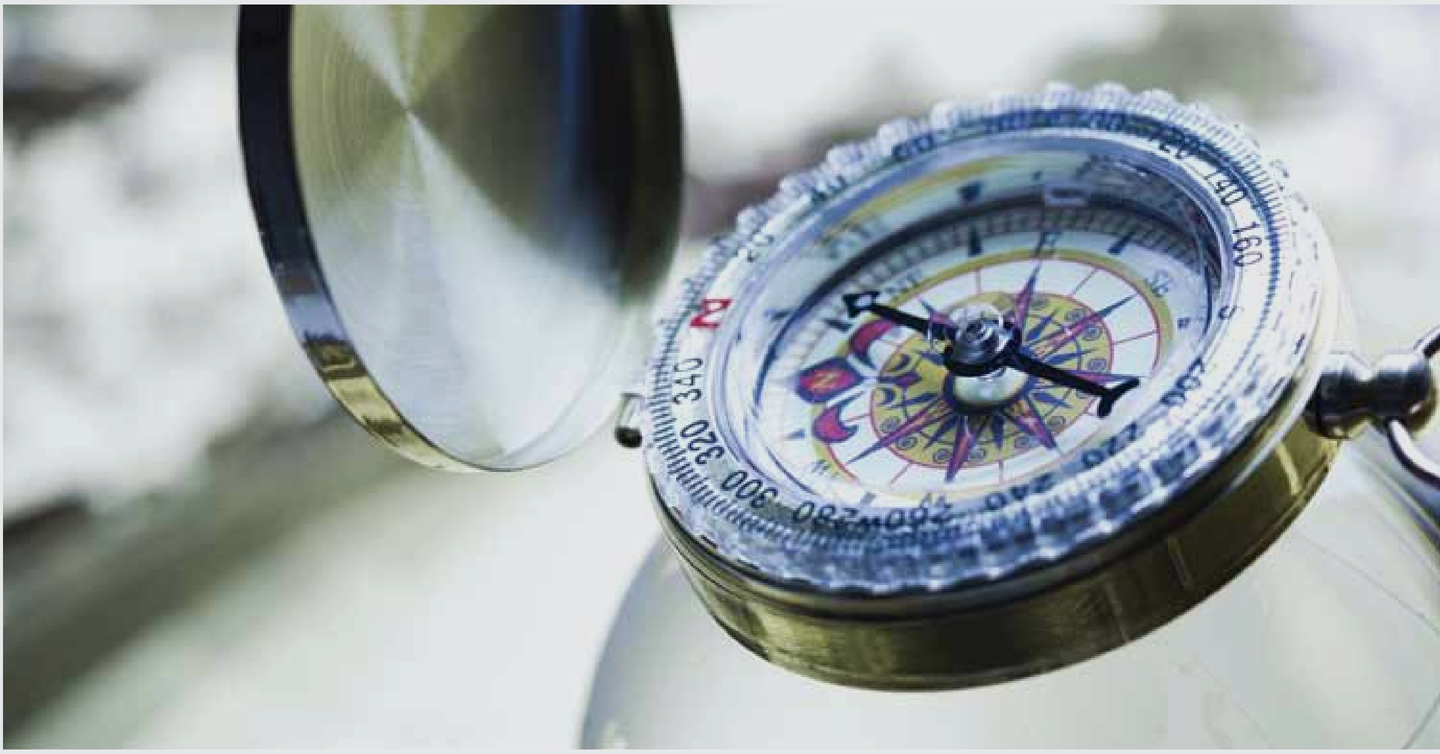
The Audit Committee reviews and appraises the reports of the external auditors and internal auditors on the adequacy and effectiveness of financial and operational controls. The Committee also recommends to the CRA Board the appointment and terms of engagement of the auditors, and approves the auditors' annual plans.

Budget Review Committee

The Budget Review Committee reviews CRA's annual budget proposal and recommends it to the CRA Board for approval. To ensure budget robustness, the Committee also assesses the half year financial position of the Authority and reports to the CRA Board from time to time on matters requiring the attention of the Board.

Disciplinary Committee

The Disciplinary Committee determines disciplinary actions to be meted out to licensed special employees and licensed International Market Agents (IMAs) and their representatives. The Committee also makes recommendations to the CRA Board on disciplinary actions against casino operators.



Human Resource and Remuneration Committee

The Human Resource and Remuneration Committee assists the Board in supervising and reviewing the various HR policies, frameworks and systems to ensure its robustness and effectiveness to attract, recruit and retain best suited talents.

Legal and Regulatory Committee

The Legal and Regulatory Committee provides strategic guidance to the CRA Board on the development of CRA's regulatory framework, which includes reviewing of the CRA's regulatory instruments.

Research and Data Review Committee

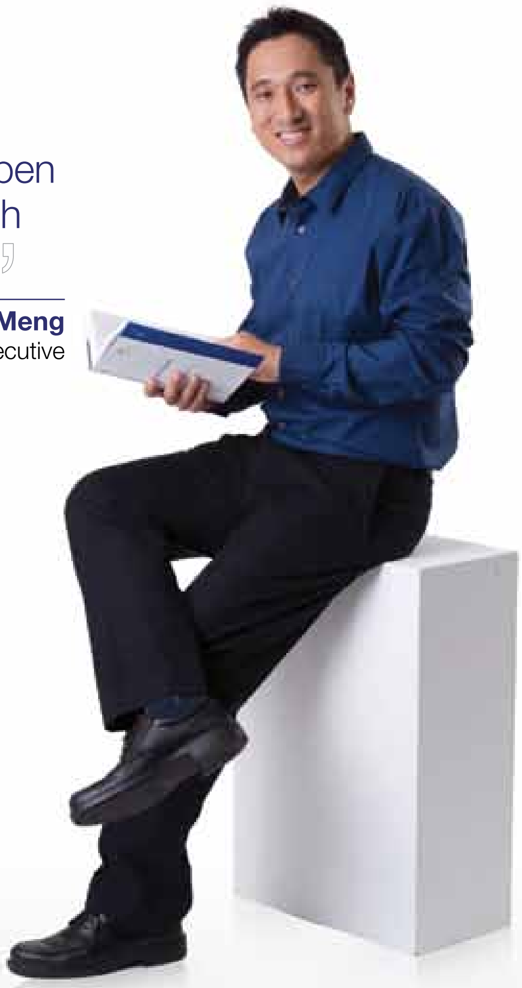
The Research and Data Review Committee assists the CRA Board in providing strategic guidance for CRA's research and analysis efforts, and monitors commercial developments in the global and regional casino gaming industry.

Technology Advisory Committee

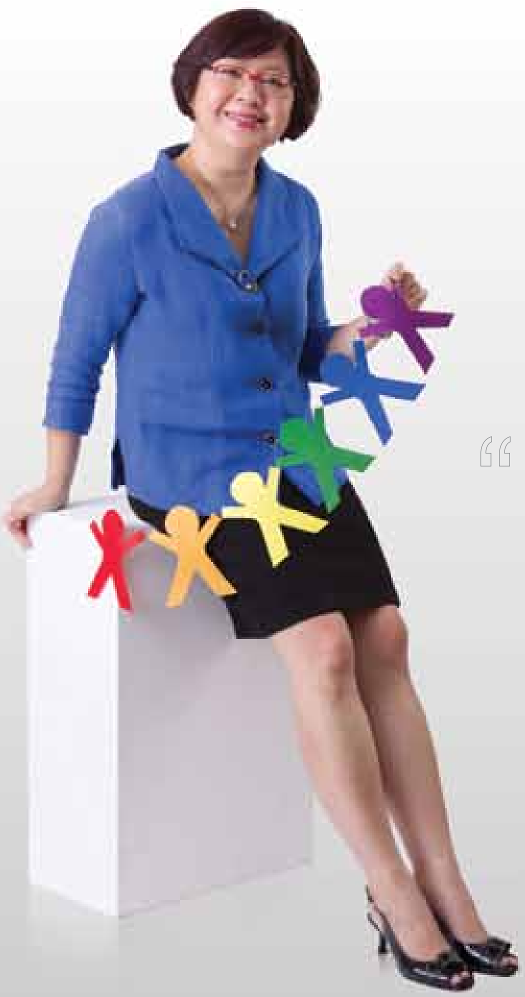
The Technology Advisory Committee advises and updates the CRA Board in the areas of Gaming Technology regulations, keeping them abreast of the trends and directions in technological development, so that the relevant technical gaming regulations, standards, directives and guidelines remain sufficient and relevant in the fast-moving casino industry. The Committee also advises the CRA Board in the efficient and effective management of the internal Info-Communication Technology planning, developments and operations.

"It is far better to learn from the experience of others than to learn things the hard way ourselves. Reading widely helps me keep an open mind about what we have to do each day to be the best that we can be."

Mr Lau Peet Meng
Chief Executive

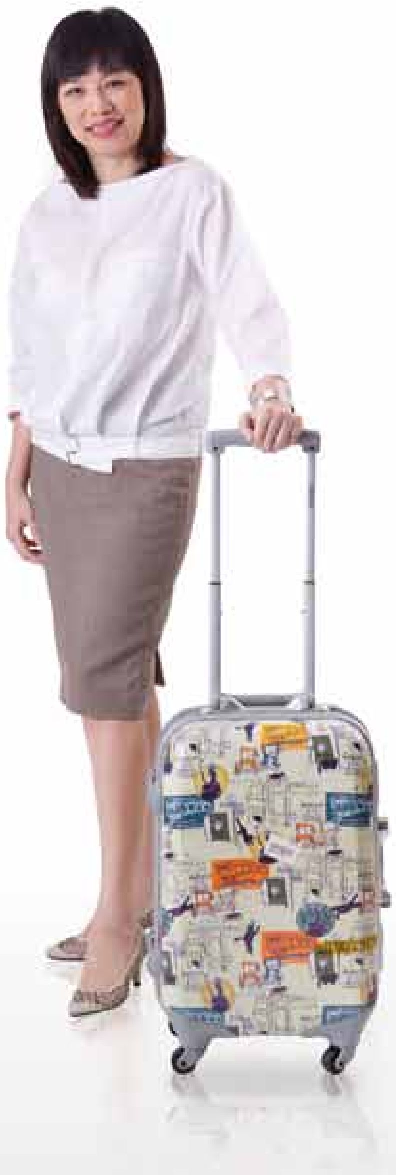


senior management



"There is nothing I enjoy more than great company and greater conversation."

Ms Yeo Pia Jee
Senior Director
Inspection & Compliance



“As I travel round the world, I get to appreciate the people and cultures of another land.”

Ms Leah Yoong
Director
Human Resource

“An apple a day keeps the doctor away, which allows me to enjoy life all day, every day.”

Mr Ee Kiam Keong
Director
Gaming Technology & ICT Systems

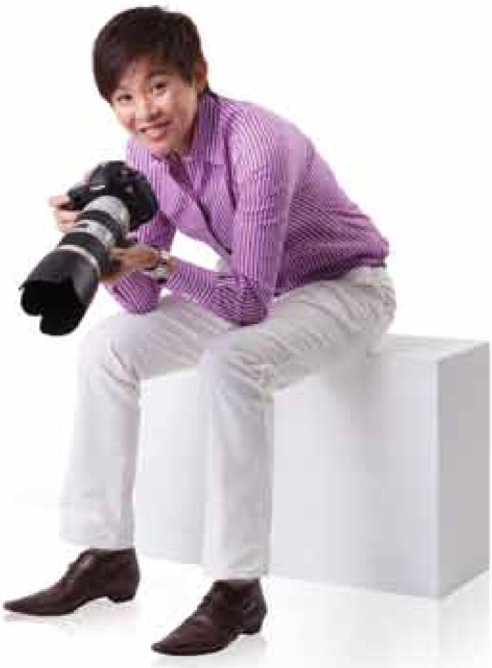
“Let’s nurture and support one another as our CRA family continues to grow.”

Mr Tan Teck Wang
General Counsel
Legal

senior management

“Nature at the work place and at home helps to create a nurturing and peaceful environment.”

Mr Paramjit Singh
Director
Investigations



“I enjoy photography as it allows me to capture a moment of reality which once lost, can never be re-captured.”

Ms Evon Ng
Director
Licensing

“Running for me is a test of how far we can push ourselves. The next step we are about to take is either you can or you cannot.”

Mr Khoo Kah Bee
Director
Admin & Finance

“I enjoy swimming for it defines the principle of discipline and how one can achieve anything if he sets his mind to it.”

Mr Harold Gan
Director
Planning & Policy

empowered to grow

NURTURING HUMAN CAPITAL

From Left:
Danny Han (Legal) and Pauline Wan (Investigations)

empowered by our people

supporting continuous learning and personal growth

When plans for more staff development and training were unveiled in the 2012 CRA Workplan, it was no surprise that CRA's senior management were all strongly supportive and CRA's staff were also eager about it.

As part of the learning journey, CRA officers can look forward to a more comprehensive training roadmap in the coming year. The Human Resource division is in the midst of developing a Training Framework which will provide a structured programme for officers' learning and development through the course of their career in CRA. The plans also included CRA's Sponsorship and Study Awards and learning attachments with other experienced regulators such as the Nevada Gaming Control Board (NGCB).

Additionally, increased sharing of information and experiences should be expected following the respective Memoranda-of-Understanding (MOUs) signed last year with NGCB, Queensland's Office of Liquor & Gaming Regulation (OLGR) and the National University of Singapore Department of Mathematics and Department of Statistics and Applied Probability. The MOUs pave the way for further collaboration in the field of gaming technologies and cooperation in areas of information, expertise, knowledge and skills, and visits exchange and training.

> *"Self-development is very important and we are supportive of staff who are planning to improve their skills and knowledge through higher education and training. This can be a personal goal so that there is added meaning to the work and staff will enjoy their time in CRA even more,"* says Ms Leah Yoong, CRA's Human Resource Director.

At CRA, learning is an activity that is not confined within the walls of a classroom. Learning allows officers from every level to come together to embrace change, energise one another, take ownership of their own development and hone their skill sets.

Collidoscope is an informal meeting space where CRA officers gather on a monthly basis for staff and senior management to address and discuss a variety of topics within and outside the organisation. It is one initiative aimed at building CRA's high-performance culture among its officers through increased awareness and understanding of the developments in the organisation and industry. There are more plans in the pipeline for officers to learn and exchange ideas, such as lunch time talks that will cover life skills topics such as business dressing, dining etiquette and financial planning for retirement.

Special interest groups such as marathoners and guitar enthusiasts have also emerged within CRA, where like-minded officers gather after work for jogs together, or hone their finger-picking skills.

"We want our staff to be the best in what they do so as to aid the organisation in being looked upon as a trusted regulator; this is part of CRA's vision," says Ms Yoong.

Four CRA officers, who have benefitted from the staff development and training programmes, share how these plans have helped them sharpen their expertise.

broadening our horizons in nevada

"A golden opportunity not to be missed."

That's how 28-year-old Ms Sheena Hoong from Investigations describes her decision to join three other CRA officers on an overseas attachment programme with the NGCB earlier this year.

The officers were in Nevada from 12 to 23 March 2012, where they got to broaden their horizons and gain deeper insights on the intricacies of daily operations and investigation procedures carried out by the NGCB. This training attachment programme is one of the agreed aspects of the MOU signed by CRA and NGCB on 26 May 2011.

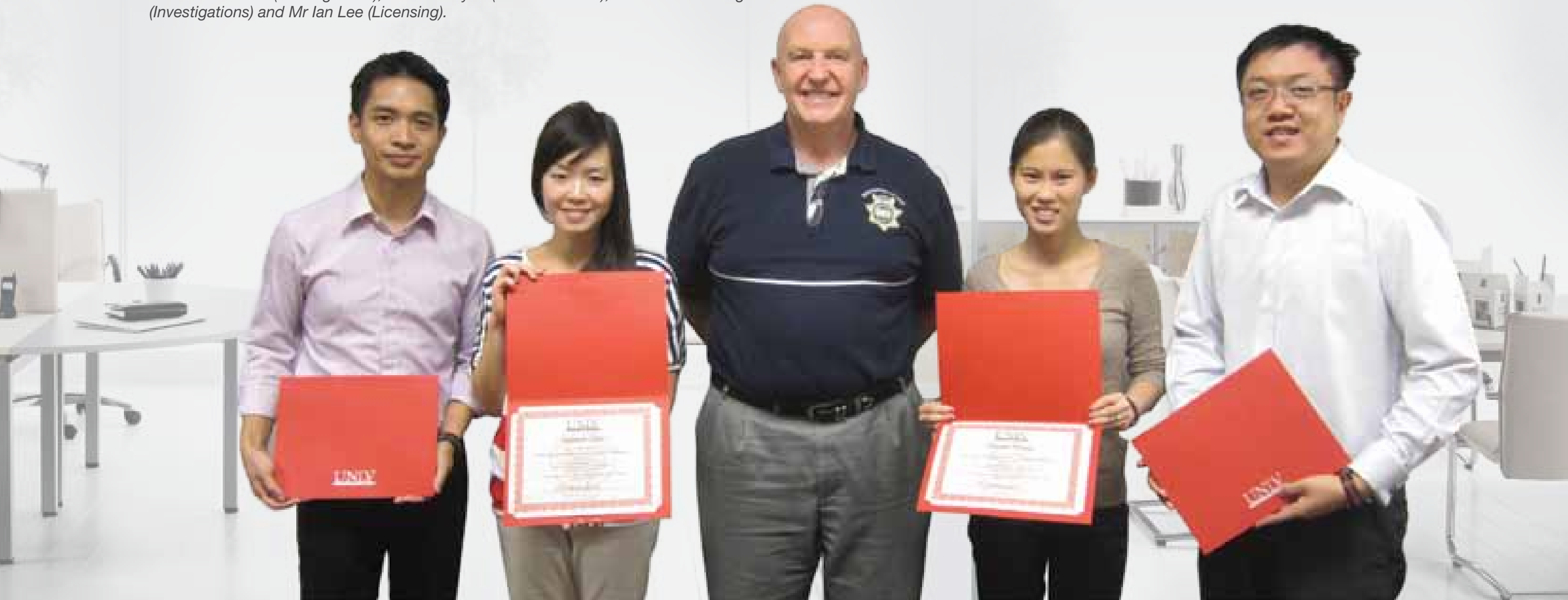
The 2-week attachment in Nevada included in-depth sharing on the background and financial investigation techniques conducted by NGCB, which benefitted the CRA officers through increased learning and experience in these areas when conducting probity investigations, such as handling overseas applications for special employee licences to work in Singapore's casinos.

One such example is assessing the credit standing of an overseas applicant. "Usually in Singapore, we only get a piece of paper telling us how much tax to pay. However, in the United States, their tax files provide significantly more information, for example on capital gains which are not applicable locally," observes Ms Hoong referring to how tax practices in the United States differ from those in Singapore.

"Such learning experience from our Nevada trainers was useful and relevant to our work, especially when we are going through the various income documents from overseas applicants as part of our rigorous checks during the licensing process," adds Mr Ian Lee.

32-year-old Mr Lee from Licensing was also one of the four CRA officers who were given the opportunity to study from the gaming regulators in Nevada. As part of their learning from their seasoned counterparts, the CRA officers also visited law enforcement agencies, courthouses and police stations to study their practices in background checks and investigation work.

CRA's officers from Investigations and Licensing divisions attended a 2-week training programme in Nevada, which included classroom and practical sessions conducted by NGCB and the University of Nevada, Las Vegas. From left: Mr Tan Wee Lee (Licensing), Ms Adelene Chin (Investigations), Mr John Flynn (NGCB's trainer), Ms Sheena Hoong (Investigations) and Mr Ian Lee (Licensing).



the scholarship boat came back for us!

"The scholarship given by CRA is recognition for the hard work I have put in with regard to my job and not just based on academic results that are accumulated in the past," shares a candid Mr Lee Kwong Yee, 42, Deputy Director with the Gaming Technology & ICT Systems division, of the criteria CRA has for scholarship applicants.

Mr Lee recently completed a Master of Business Administration (MBA) from the Singapore Institute of Management (SIM) in partnership with the University of Birmingham.

As part of CRA's efforts to develop its people, the CRA Sponsorship and Study Awards 2011 was conducted on 1 August 2011 to support its officers' aspirations to upgrade themselves and enhance the technical competency and professionalism of CRA employees through sponsorships and subsidies. This framework seeks to develop high performing graduates through taking on Masters Degree and post graduate diplomas, encourage junior staff upgrading and support the staff in pursuit of professional accreditation.

Although granting scholarships to employees is not a new concept, it is not common for organisations to provide scholarships to employees who have already embarked on their course of study. For this inaugural exercise, CRA allowed a one-time concession for officers who were already pursuing their further education to apply for the awards.

"When the scholarship scheme was announced, I felt like I had missed the boat. But the boat turned around and I managed to board the boat," explains Mr Lee.

32-year-old Mr Travis Ng, a Manager (ICT Infrastructure) with the Gaming Technology & ICT Systems division, also completed a Degree in Information and Communications Technology (ICT) from SIM.

Mr Lee and Mr Ng are among the first to be awarded the CRA scholarship, and their application process speaks volumes of the outpouring of support the organisation gives to officers who take a stake in their personal development.

However, there were challenges in balancing work and study commitments. Both awardees agree that they could not have succeeded without the help of their supportive bosses at CRA.

"One good thing about the organisation is that they provided us with study leave of up to three days per subject in addition to our annual leave," reveals Mr Ng who was glad that the additional study leave could be used for him to catch up on his schoolwork and revision for the examinations.

"Although my boss is strict when it comes to work, he gives me some leeway during examination periods. I also make sure that I give them sufficient advance notice to plan for someone to cover my work while I am away. After my examinations, I also make sure that I come back to work immediately so as not to trouble my colleagues further."

Like Mr Ng, Mr Lee attests to this pressure a working CRA officer might face during the examination seasons, and he has this tip to offer: "You will often find yourself pressed for time. Just study and do not worry too much about your results. Just go through the course and focus on what you learn and how your newly acquired knowledge will help you in future. In that way, the pressure will be lifted somewhat and you will be able to excel in your studies and perform better at work."

a meaningful work experience

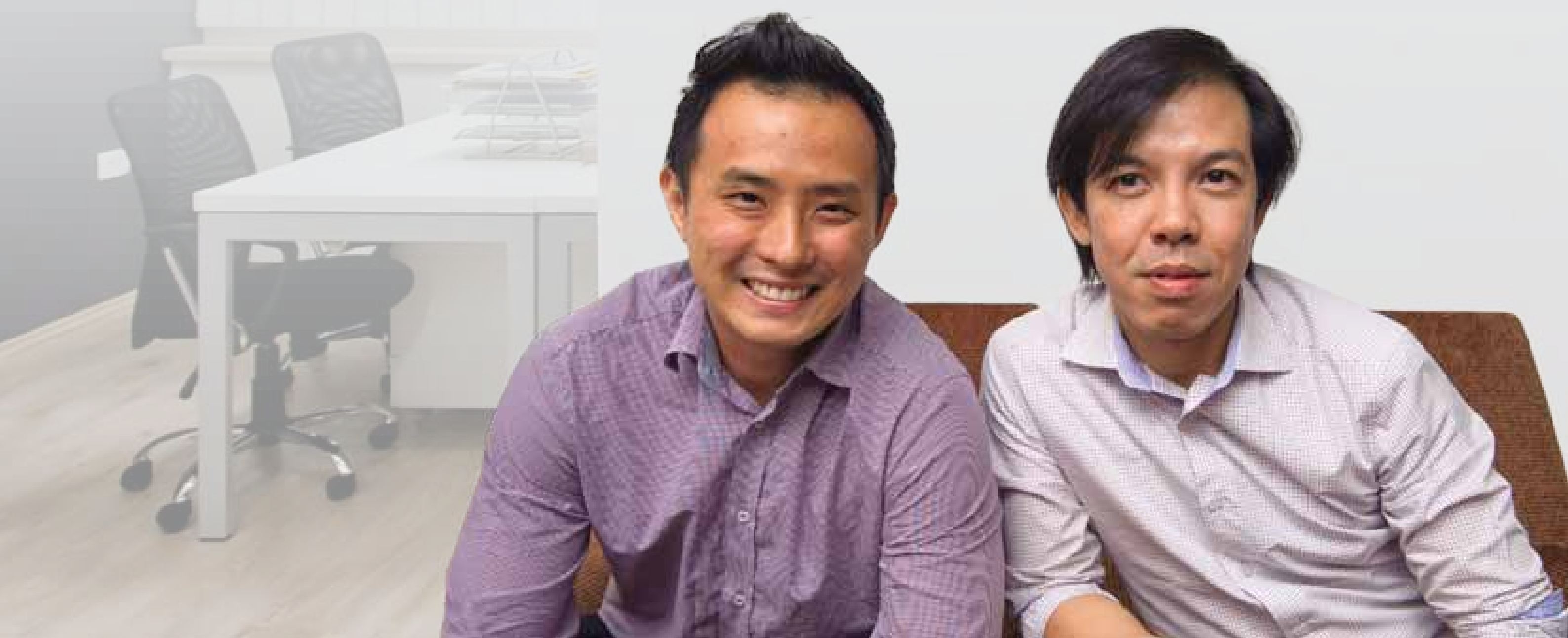
To fully appreciate the culture and ethos of the Home Team, CRA has partnered with its parent agency, the Ministry of Home Affairs (MHA), to allow new CRA staff to participate in MHA's induction programmes together with other new Home Team officers.

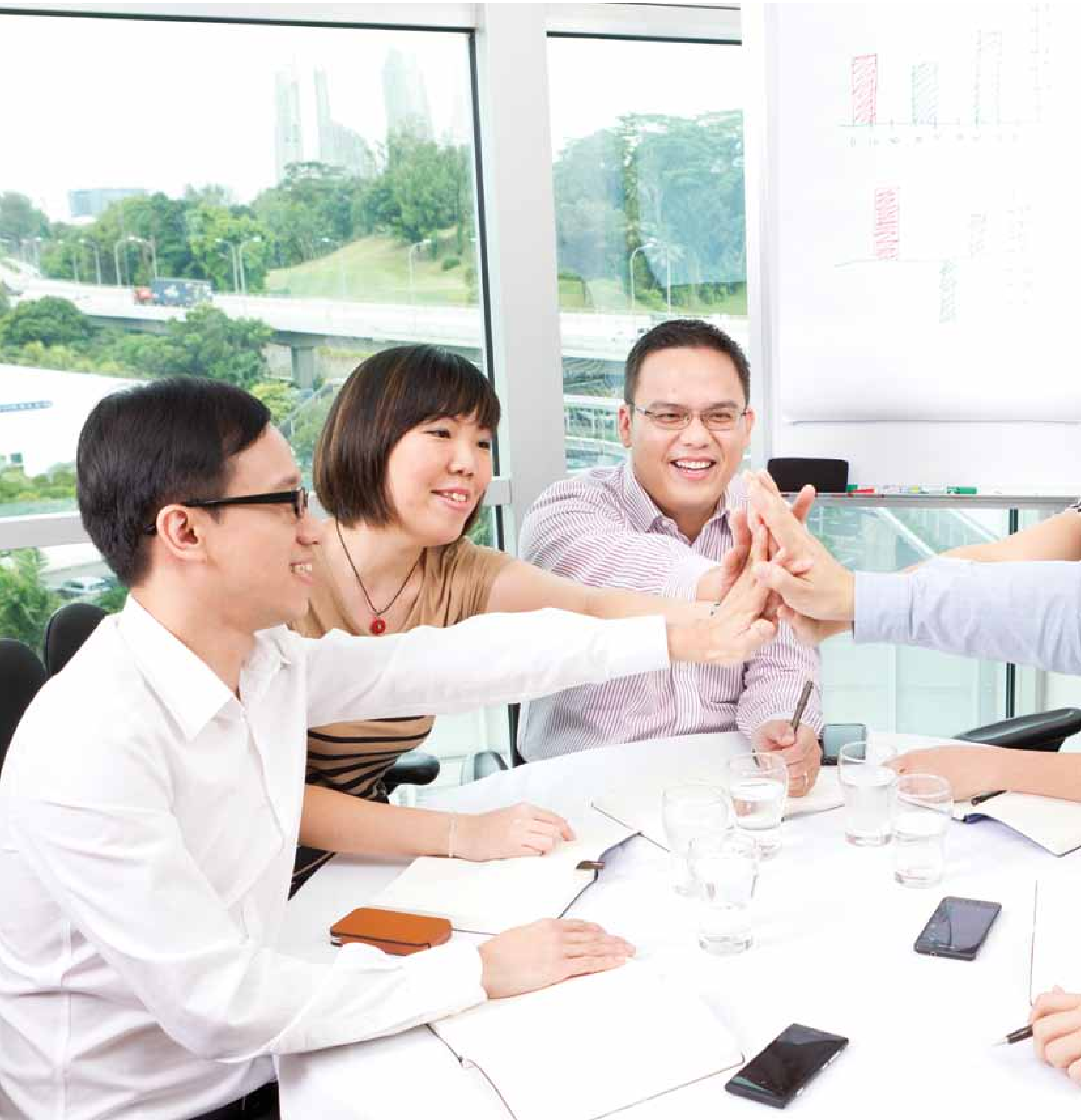
The induction programme conducted by MHA is designed to allow new officers to be familiar with the different divisions at MHA and the various functions of each Home Team department and statutory board. More importantly, the programme allows new CRA officers to better understand their roles within CRA and contributions to the bigger purpose of the Home Team i.e. to ensure a safe and secure best home for all.

With the large number of career development opportunities, CRA is on track to ensure that its officers have a meaningful work experience.

Articles contributed by Home Team News.

Mr Travis Ng (left) and Mr Lee Kwong Yee from Gaming Technology & ICT Systems division were the first batch of CRA's officers to receive the CRA's study awards.





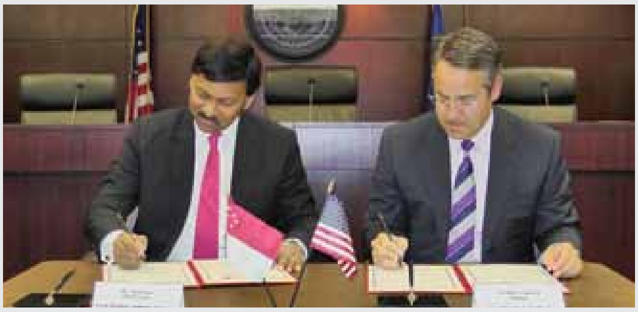
empowered to achieve

SHAPING THE INDUSTRY

From Left:
Alvin Koh (Admin & Finance), Lee Kah Mun (Investigations), Thomas Chung (Inspection & Compliance), Seetoh Elaine Jermaine (Licensing) and Jason Chng (Gaming Technology & ICT Systems)

milestones & achievements

Former CRA's Chief Executive, Mr T. Raja Kumar signing the MOU with NGCB's Chairman, Mr Mark Lipparelli.



May 2011

Signing of Memorandum of Understanding (MOU) with Nevada Gaming Control Board (NGCB)

CRA signed a MOU with NGCB on 26 May 2011. The agreement marks the first MOU which Singapore has signed with an international gaming regulator to share information and knowledge. At the MOU signing, NGCB's Chairman Mr Mark Lipparelli said, "CRA has established a respected plan for regulation and they share many of our philosophies for appropriate regulatory oversight. This agreement makes formal the strategic ties we have developed with a respected regulator including benefits in the areas of exchanges of information on common licensees and reduction in cost and time spent for probity investigations." Through the MOU with NGCB, CRA officers from the Licensing and Investigations divisions went for the first training attachment in Nevada from 12 – 23 March 2012. The officers and their counterparts exchanged valuable insights on licensing and investigation issues.

CRA's Chief Executive, Mr Lau Peet Meng taking over the leadership of CRA from former CRA's Chief Executive, Mr T. Raja Kumar. Witnessing the handing over ceremony were CRA's Chairman, Mr Richard Magnus (left) and former MHA's Permanent Secretary, Mr Benny Lim (right).

June 2011

Leadership Handing Over Ceremony

Mr Lau Peet Meng took over the helm of CRA as Chief Executive from Mr T. Raja Kumar in a ceremony officiated by former Permanent Secretary of the Ministry of Home Affairs, Mr Benny Lim on 15 June 2011. Former CRA's Chief Executive, Mr T. Raja Kumar was promoted and has returned to the Singapore Police Force as Deputy Commissioner of Police (Policy).

CRA's Chief Executive, Mr Lau Peet Meng with Executive Director of Queensland's OLGR, Mr Michael Sarquis at the MOU signing ceremony. Witnessing the MOU signing were CRA's Chairman, Mr Richard Magnus (left) and Senior Minister of State for Home and Foreign Affairs, Mr Masagos Zulkifli (right).

June 2011

Signing of Memorandum of Understanding (MOU) with Queensland's Office of Liquor and Gaming Regulation (OLGR) at CRA Workplan Seminar (WPS) 2011

The theme for WPS 2011 was "Strengthening Partnerships, Sharpening Capabilities." At the Seminar, CRA signed its second MOU with another referenced foreign jurisdiction – Queensland's OLGR. The MOU paves the way for further collaborations between the two regulators, especially in the area of gaming technology. At the MOU signing, CRA's Chairman said, "The MOU between CRA and the Queensland's Office of Liquor & Gaming Regulation visibly and vividly illustrates our desire to institutionalize our learning from referenced casino regulators. The OLGR has been forthcoming in sharing knowledge of the regulations of the casino industry with CRA when we first started out. Our officers have taken advantage of the learning opportunities offered by Queensland. Together with similar training opportunities from other jurisdictions, our officers have, cumulatively, acquired a strong professional foundation to perform their work effectively and efficiently."

CRA's Chairman, Mr Richard Magnus, addressing a crowd of 150 participants at CRA's third Workplan Seminar on 17 June 2011.

CRA's Chairman, Mr Richard Magnus, announced the commencement of casino inspection, which would include detailed on-site inspection of electronic gaming equipment at the casinos and comprehensive checks on the casino operations. Senior Minister of State for Home and Foreign Affairs, Mr Masagos Zulkifli was the Guest-of-Honour at the event.

October 2011

Granting of Singapore Recognised Testing Laboratory (SRTL)

CRA has granted Gaming Laboratories International (GLI) Australia the SRTL status on 20 October 2011, bringing the total number of testing laboratories recognised under the SRTL scheme to 11 as of May 2012. The SRTLs are authorised to provide testing services for gaming equipment deployed in casinos in Singapore and will facilitate regional coverage for manufacturers to send their gaming machines for testing.

CRA's Director of Gaming Technology & ICT Systems, Mr Ee Kiam Keong, explaining the different types of Electronic Gaming Machines on display at the Symposium to CRA's Board members.

November 2011

2nd Singapore Symposium on Casino Regulation and Crime

The Criminal Investigation Department (CID) of the Singapore Police Force (SPF) and CRA jointly organised the 2nd Singapore Symposium on Casino Regulation & Crime from 16 – 17 November 2011 at the Police Cantonment Complex, which comprised lectures and workshops conducted by local and invited foreign speakers. The Symposium covered a wide range of topics such as prevention of syndicated crimes, money laundering in casinos and leveraging on technology to ensure compliance.

November 2011

3rd International Advisory Panel (IAP) Meeting

The IAP held its 3rd meeting in Singapore from 14 – 17 November 2011. The members consist of former and current regulators from respectable international gaming jurisdictions. The IAP met CRA's Board and Senior Management, as well as members of the National Council on Problem Gambling to discuss Singapore's regulatory practices. The IAP members also took time off to speak to CRA officers at the 2nd Singapore Symposium on Casino Regulation and Crime, which was held during the same period. Such meetings with the IAP allowed CRA to tap into their expertise and obtain invaluable advice from the experienced members on regulatory matters concerning casino operations and policies.

milestones & achievements

December 2011
Attainment of ISO 27000

CRA attained the ISO 27000 certification (for Information Security Management System), a first for a Home Team agency that has its IT security practices measuring up to international standards in information security management practices. Moving forward, CRA will also be preparing for ISO 17025 (for Quality Management System for Gaming Test Lab). These investments in our IT robustness are critical for CRA's reputation as a referenced and trusted regulator.

January 2012
Launch of e-Registry and Document Management System (eReg)

The eReg was launched on 31 January 2012 to provide a central filing system to preserve and provide information in an electronic form. With the electronic repository system, it provides greater flexibility for multiple users to share files and retrieve records in a convenient and timely manner.

Representatives from gaming equipment manufacturers and suppliers attending the gaming technology forum.

February 2012
3rd Gaming Technology Forum

To have an industry perspective, CRA engages regularly with the players in the casino industry. At the 3rd Gaming Technology Forum, attended by industry players including representatives from the gaming equipment manufacturers, suppliers and testing laboratories, discussions were held on the regulation of gaming technology, so that the regulatory policies, control and technical standards continue to be relevant.

March 2012
Licensure of International Market Agent (IMA)

CRA awarded the first batch of licences to two IMAs on 22 March 2012. The regime to regulate IMAs has also been enhanced to ensure that our gaming environment continues to be robustly regulated and free from criminal influence.

CRA's officers reviewing key learning points in previous financial year and look forward to embarking on new work plans.

May 2012
CRA Workplan Seminar (WPS) 2012

The theme for WPS 2012 was "Deepening Expertise, Developing People." The theme signifies the centrality of our people in ensuring that we are able to fulfil our mission in keeping criminal influence out of casinos, ensuring honest gaming and protecting vulnerable from the potential harm of casino gambling. Minister, Prime Minister's Office and Second Minister for Home Affairs and Trade & Industry, Mr S Iswaran was the Guest-of-Honour at the event.

CRA's Chief Executive, Mr Lau Peet Meng together with Minister, Prime Minister's Office and Second Minister for Home Affairs and Trade & Industry, Mr S Iswaran (centre) and CRA's Chairman, Mr Richard Magnus unveiled CRA's new mission.

May 2012
Launch of the New Vision Statement

"To be the Trusted Casino Regulator, Advancing Our Mission with Pride and Integrity for a Safe Singapore." CRA unveiled the new vision statement at its Workplan Seminar on 24 May 2012.

awards

From left were MHA's Senior Deputy Secretary (Development), Mr Khoo Boon Hui; MHA's Permanent Secretary, Mr Tan Tee How; Deputy Prime Minister, Coordinating Minister for National Security and Minister for Home Affairs, Mr Teo Chee Hean (centre), Ms Low Cheng Khem and Mr Benny Wong at the Awards ceremony.

August 2011

Investiture of the 2011 National Day Awards for Ministry of Home Affairs

Senior Assistant Director of Inspection & Compliance, Ms Low Cheng Khem and Senior Assistant Director of Planning & Policy, Mr Benny Wong, both received the Commendation Medal (Pingat Kepujian) conferred by the Prime Minister's Office. This was for the instrumental roles they played in developing robust policies which form an essential part of the casino regulatory framework.

Ms Evon Ng receiving the award from Deputy Prime Minister, Coordinating Minister for National Security and Minister for Home Affairs, Mr Teo Chee Hean.

August 2011

Minister for Home Affairs National Day Individual Award 2011

Director of Licensing, Ms Evon Ng was awarded the Minister for Home Affairs National Day Individual Award 2011 for her contributions to the Home Team in leading her team to develop and administer robust casino licensing and approval regimes to achieve CRA's objectives of preventing criminal infiltration and ensuring the integrity of gaming.

Congratulations to Mr Travis Ng on receiving his Degree in Information and Communications Technology from the Singapore Institute of Management (SIM).

August 2011

CRA Sponsorship and Study Awards

The CRA Sponsorship and Study Awards Exercise was conducted on 1 August 2011. The recipients of the awards were: 1) Deputy Director of Gaming Technology & ICT Systems, Mr Lee Kwong Yee who completed a Master of Business Administration (MBA) from SIM in partnership with the University of Birmingham and 2) Manager of Gaming Technology & ICT Systems, Mr Travis Ng who completed a Degree in Information and Communications Technology from SIM.

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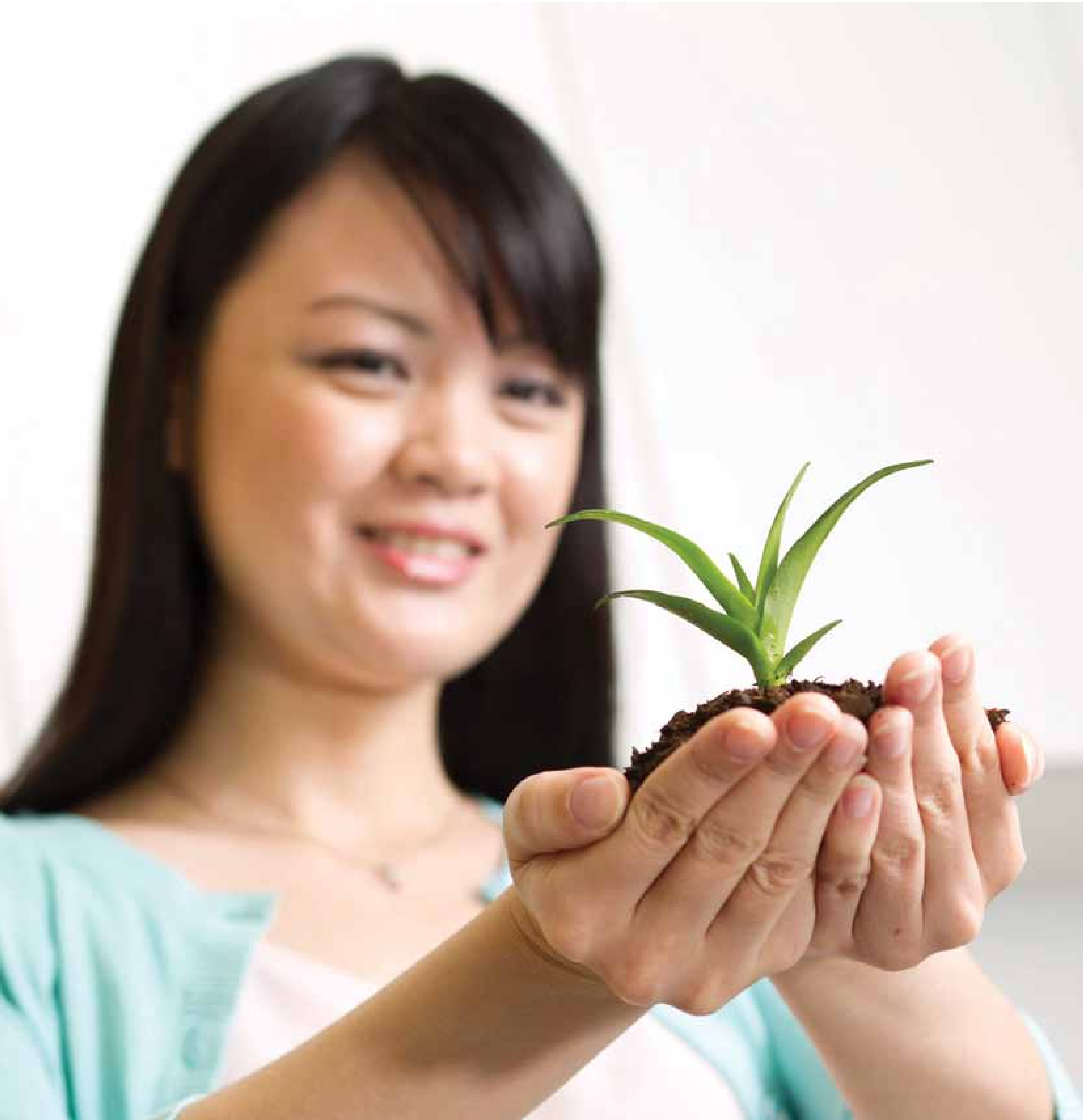
FULFILLING OUR MISSION

enforcement actions

Date	Relevant Legislation	Breach & Action Taken by the Casino Regulatory Authority (CRA)
6/2/2012	Section 116(1) of the Casino Control Act	CRA imposed financial penalties totalling $65,000 on Marina Bay Sands (MBS) for failing to prevent Singapore citizens and permanent residents (SCPRs) from entering and/or remaining on its casino premises without valid entry levies during the period 28 October 2010 to 30 April 2011. CRA took action in respect of 14 SCPRs who had entered MBS' casino without valid entry levies and 2 SCPRs who had remained in the casino beyond the 24 hours' validity of their day entry levies.
6/2/2012	Section 126(1) of the Casino Control Act	CRA imposed financial penalties totalling $160,000 on MBS for failing to prevent 6 excluded persons from entering and/or remaining on its casino premises during the period 28 October 2010 to 30 April 2011.
6/2/2012	Section 133(1) of the Casino Control Act	CRA imposed financial penalties totalling $30,000 on MBS for failing to prevent 2 minors from entering and/or remaining on its casino premises during the period 28 October 2010 to 30 April 2011.
6/2/2012	Section 116(1) of the Casino Control Act	CRA imposed financial penalties totalling $40,000 on Resorts World at Sentosa (RWS) for failing to prevent SCPRs from entering and/or remaining on its casino premises without valid entry levies during the period 15 August 2010 to 30 April 2011. CRA took action in respect of 5 SCPRs who had entered RWS' casino without valid entry levies and 3 SCPRs who had remained in the casino beyond the 24 hours' validity of their day entry levies.
6/2/2012	Section 126(1) of the Casino Control Act	CRA imposed a financial penalty of $15,000 on RWS for failing to prevent an excluded person from entering and/or remaining on its casino premises during the period 15 August 2010 to 30 April 2011.
6/2/2012	Section 133(1) of the Casino Control Act	CRA imposed financial penalties totalling $75,000 on RWS for failing to prevent 6 minors from entering and/or remaining on its casino premises during the period 15 August 2010 to 30 April 2011. RWS was also censured for 5 instances where it failed to prevent minors from entering and/or remaining on its casino premises during the same period.
18/5/2011	Section 116(3) of the Casino Control Act	CRA imposed a financial penalty of $200,000 on RWS for reimbursing the entry levy payable by SCPRs. On 15 July 2010, a senior management staff of RWS had provided cash to SCPR media representatives for the purpose of paying for the entry levy payable by them for entry into RWS' casino premises to cover the launch of the Ladies Club.
18/5/2011	Regulation 3(2) of the Casino Control (Surveillance) Regulations 2009	CRA imposed a financial penalty of $150,000 on RWS for failing to ensure that casino surveillance footage from 22 cameras during the period 29 March 2010 to 2 April 2010 was retained for the specified period required by CRA.
18/5/2011	Regulation 3(2) of the Casino Control (Surveillance) Regulations 2009	CRA imposed a financial penalty of $30,000 on RWS for failing to ensure that casino surveillance footage from 18 cameras during the period 29 March 2010 to 30 March 2010 was retained for the specified period required by CRA.
18/5/2011	Regulation 3(2) of the Casino Control (Surveillance) Regulations 2009	CRA imposed a financial penalty of $150,000 on RWS for failing to have a failure notification system to provide an audible as well as visual notification of specific failures in the casino surveillance system.



empowered to serve

ENSURING OUR ACCOUNTABILITY

Joelle Lim (Policy)

financial contents

Statement by the Casino Regulatory Authority of Singapore

In our opinion, the accompanying balance sheet, comprehensive income and expenditure statement, statement of changes in equity and cash flow statement together with notes thereto of the Casino Regulatory Authority of Singapore (the “Authority”) as set out on pages 36 to 57 are drawn up so as to present fairly, in all material respects, the state of affairs of the Authority as at 31 March 2012 and of the results, changes in equity and cash flows of the Authority for the financial year ended 31 March 2012.

On Behalf of the Authority:

Richard Magnus
Chairman

Lau Peet Meng
Chief Executive

Singapore
4 July 2012

Independent Auditors' Report

For the financial year ended 31 March 2012
To the Members of Casino Regulatory Authority of Singapore

Report on the financial statements

We have audited the accompanying financial statements of Casino Regulatory Authority of Singapore (the "Authority") set out on pages 36 to 57, which comprise the balance sheet as at 31 March 2012, the comprehensive income and expenditure statement, the statement of changes in equity and cash flow statement of the Authority for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The Authority's management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Casino Control Act (Cap. 33A) (the "Act") and Statutory Board Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Statutory Board Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Authority as at 31 March 2012 and the results, changes in equity and cash flows of the Authority for the year then ended on that date.

Independent Auditors' Report

For the financial year ended 31 March 2012
To the Members of Casino Regulatory Authority of Singapore

Report on other legal and regulatory requirements

Management's Responsibility for Compliance with Legal and Regulatory Requirements

The Authority's management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act. This responsibility includes implementing accounting and internal controls as management determines are necessary to enable compliance with the provisions of the Act.

Auditor's responsibility

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We conducted our audit in accordance with Singapore Standards on Auditing. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act.

Our compliance audit includes obtaining an understanding of the internal control relevant to the receipts, expenditure, investment of moneys and the acquisition and disposal of assets; and assessing the risks of material misstatement of the financial statements from non-compliance, if any, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Because of the inherent limitations in any accounting and internal control system, non-compliances may nevertheless occur and not be detected.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on management's compliance.

Opinion

In our opinion:

(a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Authority during the year are, in all material respects, in accordance with the provisions of the Act; and

(b) proper accounting and other records have been kept, including records of all assets of the Authority whether purchased, donated or otherwise.

Ernst & Young LLP

Ernst & Young LLP
Public Accountants and
Certified Public Accountants
Singapore
4 July 2012

Balance Sheet

as at 31 March 2012

	Note	2011/2012 $	2010/2011 $
Equity			
Capital account	3	36,001,000	36,001,000
Accumulated deficit		(9,125,780)	(15,300,887)
Total equity		26,875,220	20,700,113
Represented by:			
Non-current assets			
Plant and equipment	4	3,674,083	2,764,302
Intangible assets	5	1,682,244	1,015,613
		5,356,327	3,779,915
Current assets			
Trade and other receivables	6	165,490	273,475
Amount due from parent ministry	7	6,299	–
Prepaid operating expenses		579,093	436,183
Deposits		584,231	510,234
Cash and cash equivalents	8	52,783,917	73,322,766
		54,119,030	74,542,658
Total assets		59,475,357	78,322,573
Current liabilities			
Trade and other payables	9	5,104,918	2,668,623
Fees received in advance	10	23,360,462	25,361,460
Prepayment	11	1,301,575	3,672,610
Amount due to parent ministry	7	–	4,500
Provisions	12	880,288	760,891
		30,647,243	32,468,084
Net current assets		23,471,787	42,074,574
Non-current liabilities			
Fees received in advance	10	856,164	24,006,849
Provisions	12	1,096,730	1,147,527
		1,952,894	25,154,376
Total liabilities		32,600,137	57,622,460
Net assets		26,875,220	20,700,113

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Comprehensive Income and Expenditure Statement

For the financial year ended 31 March 2012

	Note	2011/2012 $	2010/2011 $
Income			
License fee		25,051,463	24,321,918
Application fees		740,070	1,263,560
Fines		954,300	3,500
		26,745,833	25,588,978
Expenditure			
Expenditure on Manpower	13	(11,743,747)	(12,769,636)
Staff welfare and development		(641,162)	(388,936)
Rental of premises and others		(1,890,816)	(1,761,282)
Maintenance		(703,544)	(361,518)
Depreciation of plant and equipment	4	(1,061,302)	(1,056,420)
Amortisation of intangible assets	5	(430,755)	(262,375)
Utilities		(204,426)	(212,172)
Communications		(398,981)	(473,658)
Management and professional services		(2,669,633)	(1,688,291)
Other operating expenses	14	(1,212,759)	(960,155)
		(20,957,125)	(19,934,443)
Operating surplus	15	5,788,708	5,654,535
Non-operating income	16	386,399	1,208,056
Surplus before statutory contribution to consolidated fund		6,175,107	6,862,591
Statutory contribution to consolidated fund	17	–	–
Surplus for the year, representing total comprehensive income for the financial year		6,175,107	6,862,591

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of Changes in Equity

for the financial year ended 31 March 2012

	Note	Capital account $	Accumulated deficit $	Total $
Balance as at 1 April 2010		36,001,000	(22,163,478)	13,837,522
Surplus for the year, representing total comprehensive income for the year		–	6,862,591	6,862,591
Balance as at 31 March 2011 and 1 April 2011		36,001,000	(15,300,887)	20,700,113
Surplus for the year, representing total comprehensive income for the year		–	6,175,107	6,175,107
Balance as at 31 March 2012		36,001,000	(9,125,780)	26,875,220

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Cash Flow Statement

for the financial year ended 31 March 2012

	Note	2011/2012 $	2010/2011 $
Cash flows from operating activities:			
Surplus before statutory contribution to consolidated fund		6,175,107	6,862,591
Adjustments for:			
Depreciation of plant and equipment	4	1,061,302	1,056,420
Amortisation of intangible assets	5	430,755	262,375
Reinstatement of fixed assets	12	(19,279)	–
Impairment loss	14	112,208	–
Unutilised leave		17,593	50,171
Retention bonus	12	259,086	453,070
Compensation income	16	–	(762,917)
Interest income from short term deposits	16	(378,427)	(440,642)
Plant and equipment expensed off	15	197,872	363,220
(Gain)/loss on disposal of plant and equipment		(42,712)	11,428
Surplus before working capital changes		7,813,505	7,855,716
Operating cash flows before working capital changes:			
Decrease/(increase) in trade and other receivables		107,985	(41,614)
Increase in amount due from parent ministry		(6,299)	–
Increase in prepaid operating expenses		(142,910)	(35,400)
Increase in deposits		(73,997)	(1,970)
Increase/(decrease) in trade and other payables		2,436,295	(497,086)
(Decrease)/increase in prepayment		(2,371,035)	1,722,394
(Decrease)/increase in amount due to parent ministry		(4,500)	4,500
(Decrease)/increase in fees received in advance		(25,151,683)	6,366,648
(Decrease)/increase in provisions		(241,800)	–
Cash flows (used in)/from operations		(17,634,439)	15,373,188
Interest received		378,427	440,642
Net cash flows (used in)/from operating activities		(17,256,012)	15,813,830
Cash flows from investing activities:			
Purchase of plant and equipment	A	(2,265,905)	(347,896)
Purchase of intangibles		(1,097,386)	(373,223)
Proceeds from sales of plant and equipment		80,454	–
Net cash flows used in investing activities		(3,282,837)	(721,119)
Net (decrease)/increase in cash and cash equivalents		(20,538,849)	15,092,711
Cash and cash equivalents at beginning of the year		73,322,766	58,230,055
Cash and cash equivalents at end of the year	8	52,783,917	73,322,766

Notes to the cash flow statement

A. Plant and equipment

Purchase of plant and equipment excludes provision for reinstatement costs of $53,000 (2010/2009: $296,133) which is to be incurred upon expiration of the office lease and includes plant and equipment expensed off (Note 15).

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements

31 March 2012

1. General

The Casino Regulatory Authority of Singapore (the "Authority") was established under Casino Control Act (Cap. 33A) (the "Act") on 2 April 2008 as a statutory board.

The Authority has its registered office and principal place of operation at 460 Alexandra Road, PSA Building, #12-01 Singapore 119963.

The objects of the Authority are to maintain and administer systems for the licensing, supervision and control of casinos, for the purpose of -

(a) ensuring that the management and operation of a casino is and remains free from criminal influence or exploitation;

(b) ensuring that gaming in a casino is conducted honestly; and

(c) containing and controlling the potential of a casino to cause harm to minors, vulnerable persons and the society at large.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The financial statements of the Authority for the financial year ended 31 March 2012 have been drawn up in accordance with the provisions of the Act and the Statutory Board Financial Reporting Standards ("SB-FRS").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or $).

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Authority has adopted all the new and revised SB-FRS and Interpretations to SB-FRS (INT SB-FRS) that are effective for annual periods beginning on or after 1 April 2011.

The adoption of these standards and interpretations did not have any material impact on the Authority's financial statements.

Notes to the Financial Statements

31 March 2012

2.3 *SB-FRS and INT SB-FRS not yet effective*

The Authority has not applied the following SB-FRS and INT SB-FRS that have been issued but not yet effective:

Description	Effective for annual period beginning on or after
SB-FRS 101 Amendments - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 July 2011
SB-FRS 107 Amendments - Financial Instruments: Disclosures - Transfers of Financial Assets	1 July 2011
SB-FRS 1 Amendments - Presentation of Items of Other Comprehensive Income	1 July 2012
SB-FRS 12 Income Taxes	1 January 2012
SB-FRS 19 Employee Benefits	1 January 2013
SB-FRS 27 Separate Financial Statements	1 January 2013
SB-FRS 28 Investments in Associates and Joint Ventures	1 January 2013
SB-FRS 110 Consolidated Financial Statements	1 January 2013
SB-FRS 111 Joint Arrangements	1 January 2013
SB-FRS 112 Disclosure of Interests in Other Entities	1 January 2013
SB-FRS 113 Fair Value Measurements	1 January 2013

The Authority expects that the adoption of the above standards and interpretations will not have a significant impact on the financial statements in the period of initial application.

2.4 *Significant accounting judgements and estimates*

The preparation of the Authority's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Judgements made in applying accounting policies
In the process of applying the Authority's accounting policies, management is of the opinion that there is no instance of application of judgement which is expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimations described below.

Key sources of estimation uncertainty
The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Useful lives of plant and equipment and intangible assets
The cost of plant and equipment and intangible assets for the operations of the Authority is depreciated and amortised on a straight-line basis over the useful lives. Management estimates the useful lives of these plant and equipment and intangibles to be within 3 to 10 years and within 3 to 5 years respectively. These are common life expectancies applied to these plant and equipment and intangible assets. The carrying amount of the Authority's plant and equipment and intangible assets at 31 March 2012 was $3,674,083 and $1,682,244 (2010/2011: $2,764,302 and $1,015,613) respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation and amortisation charges could be revised.

Notes to the Financial Statements

31 March 2012

2.4 *Significant accounting judgements and estimates (continued)*

Impairment of non-financial assets
The Authority assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

Impairment of loans and receivables
The Authority assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Authority considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Authority's loans and receivable at the end of the reporting period is disclosed in Note 20 to the financial statements.

2.5 *Functional and foreign currency*

Transactions and balances
Transactions in foreign currencies are measured in SGD, the functional currency of the Authority and are recorded on initial recognition in SGD at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the comprehensive income and expenditure statement.

2.6 *Plant and equipment*

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost includes the cost of replacing part of the plant and equipment, and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying plant and equipment. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably.

Plant and equipment costing less than $2,000 each, are charged to the comprehensive income and expenditure statement in the year of purchase as plant and equipment expensed off disclosed in Note 15.

Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful life of the assets as follows:

Plant and machinery	–	10 years
Renovation	–	Over the remaining premises lease period
Furniture, fittings, tools & equipments	–	3 to 8 years
Heritage	–	No depreciation

Notes to the Financial Statements

31 March 2012

2.6 *Plant and equipment (continued)*

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the comprehensive income and expenditure statement in the year the asset is derecognised.

Fully depreciated assets still in use are retained in the financial statements.

2.7 *Intangible assets*

Intangible assets acquired, which comprise computer software development costs, are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Assets classified as work-in-progress included in intangible assets are not amortised as these assets are not yet available for use.

Amortisation of intangibles is calculated on the straight-line method to write-off the costs over their estimated useful lives of 3 to 5 years. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life is accounted for by changing the amortisation period or method, as appropriate and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the comprehensive income and expenditure statement through the 'amortisation of intangible assets' line item.

The carrying value of intangibles is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

2.8 *Impairment of non-financial assets*

The Authority assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Authority makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognised in the comprehensive income and expenditure statement, consistent with the function of the impaired asset.

Notes to the Financial Statements

31 March 2012

2.8 *Impairment of non-financial assets (continued)*

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses recognised for an asset may no longer exist or may have decreased. If such indication exists, the Authority estimates the asset's or cash generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Reversal of an impairment loss is recognised in the comprehensive income and expenditure statement.

2.9 *Financial assets*

Initial recognition and measurement
Financial assets are recognised when, and only when, the Authority becomes a party to the contractual provisions of the financial instrument. The Authority determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement
The subsequent measurement of financial assets depends on their classification as follows:

<u>Loans and receivables</u>
Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

The Authority classifies the following financial assets as loans and receivables:
(a) Cash and cash equivalents
(b) Trade and other receivables
(c) Deposits
(d) Amount due from parent ministry

De-recognition
A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised in other comprehensive income is recognised in the comprehensive income and expenditure statement.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Authority commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

Notes to the Financial Statements

31 March 2012

2.10 *Cash and cash equivalents*

Cash and cash equivalents comprise cash held with banks and with Accountant–General's Department ("AGD"), that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents carried in the balance sheet are classified and accounted for as loans and receivables under SB-FRS 39. The accounting policy is stated in Note 2.9.

2.11 *Trade and other receivables*

Trade and other receivables are classified and accounted for as loans and receivables under SB-FRS 39. The accounting policy for this category of financial assets is stated in Note 2.9.

An allowance is made for uncollectible amounts when there is objective evidence that the Authority will not be able to collect the debt. Bad debts are written off when identified. Further details on the accounting policy for impairment of financial assets are stated in Note 2.12 below.

2.12 *Impairment of financial assets*

The Authority assesses at each end of the reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets carried at amortised cost
For financial assets carried at amortised cost, the Authority first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Authority determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the comprehensive income and expenditure statement.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the Authority considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the comprehensive income and expenditure statement.

Notes to the Financial Statements

31 March 2012

2.13 *Financial liabilities*

Initial recognition and measurement
Financial liabilities are recognised when, and only when, the Authority becomes a party to the contractual provisions of the financial instrument. The Authority determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement
The measurement of financial liabilities depends on their classification as follows:

<u>Financial liabilities at fair value through profit or loss</u>
Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Authority that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in the comprehensive income and expenditure statement.

The Authority has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

<u>Other financial liabilities</u>
After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition
A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the comprehensive income and expenditure statement.

2.14 *Provisions*

Provisions are recognised when the Authority has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes to the Financial Statements

31 March 2012

2.15 *Employee benefits*

(a) Defined contribution plans

Defined contribution plans are post-employment benefits plans under which the Authority pays fixed contributions into separate entities such as the Central Provident Fund Board on a mandatory, contractual or voluntary basis. The Authority has no further payment obligations once the contributions have been paid. The Authority's contributions are recognised in the comprehensive income and expenditure statement when they are due.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the end of the reporting period.

(c) Retention bonus

The retention bonus due to employees is determined based on the expected payout to be made by the Authority in respect of services rendered by these employees up to the end of the reporting period.

2.16 *Leases*

As lessee

Operating lease payments are recognised as an expense in the comprehensive income and expenditure statement on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.17 *Income recognition*

Income is recognised to the extent that it is probable that the economic benefits will flow to the Authority and the income can be reliably measured, regardless of when the payment is made. Income is measured at the fair value of consideration received or receivable.

Income is recognised as follows:

(a) *Casino licence fees*

Licence fees are recognised as income on an accrual basis.

(b) *Application fees*

Application fees are recognised upon the receipt of the application form and application fees. Application fees collected but pending application forms are recognised as fees received in advance in the respective accounting period.

(c) *Fines*

Fine payable to the Authority for violation of the Casino Control Act (Cap. 33A) is recognised as income upon receipt of the fine payment or accrued as income if the fine is paid on an instalment plan.

(d) *Interest income*

Interest income is recognised on accrual basis.

Notes to the Financial Statements

31 March 2012

2.18 *Goods and services tax*

Revenues, expenses and assets are recognised net of the amount of goods and services tax except:

(a) Where the goods and services tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the goods and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

(b) Receivables and payables that are stated with the amount of goods and services tax included.

The net amount of goods and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.19 *Related parties*

The Authority is established as a statutory board and is an entity related to the Government of Singapore. The Authority's related parties refer to Government-related entities including Ministries, Organs of State and other Statutory Boards. The Authority applies the exemption in Paragraph 25 of SB-FRS 24 Related Party Disclosures, and required disclosures are limited to the following information to enable users of the Authority's financial statements to understand the effect of related party transactions on the financial statements:

(i) the nature and amount of each individually significant transaction with Ministries, Organs of State and other Statutory Boards; and

(ii) for other transactions with Ministries, Organs of State and other Statutory Boards that are collectively but not individually significant, a qualitative or quantitative indication of their extent.

2.20 Capital

Proceeds from issuance of shares are recognised as capital in equity.

3. Capital account

	2011/2012		2010/2011	
	Number of shares	$	Number of shares	$
Issued and paid up:				
At 1 April and 31 March	36,001,000	36,001,000	36,001,000	36,001,000

The capital account consists of shares issued to the Minister for Finance, a body corporate incorporated by the Minister for Finance (Incorporation) Act (Cap.183) for equity injection.

Notes to the Financial Statements

31 March 2012

4. Plant and equipment

	Plant and machinery $	Renovation $	Furniture, fittings, tools and equipments $	Heritage $	Total $
Cost:					
At 1 April 2010	619,636	1,225,453	2,988,849	130,964	4,964,902
Additions	43,792	855,193	144,741	–	1,043,726
Disposals	(128,512)	(561,333)	(153,256)	–	(843,101)
At 31 March 2011 and 1 April 2011	534,916	1,519,313	2,980,334	130,964	5,165,527
Additions	26,820	330,981	1,763,232	–	2,121,033
Disposals	(36,655)	–	(344,583)	–	(381,238)
Impairment loss	(5,684)	(180,095)	(73,792)	–	(259,571)
At 31 March 2012	519,397	1,670,199	4,325,191	130,964	6,645,751
Accumulated depreciation and impairment loss:					
At 1 April 2010	224,441	756,822	1,195,215	–	2,176,478
Depreciation for the year	61,860	374,103	620,457	–	1,056,420
Disposals	(128,512)	(561,333)	(141,828)	–	(831,673)
At 31 March 2011 and 1 April 2011	157,789	569,592	1,673,844	–	2,401,225
Depreciation for the year	60,745	319,658	680,899	–	1,061,302
Disposals	(12,629)	–	(330,867)	–	(343,496)
Impairment loss	(1,958)	(105,155)	(40,250)	–	(147,363)
At 31 March 2012	203,947	784,095	1,983,626	–	2,971,668
Carrying amount:					
At 31 March 2012	315,450	886,104	2,341,565	130,964	3,674,083
At 31 March 2011	377,127	949,721	1,306,490	130,964	2,764,302

During the financial year, the Authority has vacated from one of the premises to a different level. An impairment loss of $112,208 (2010: $nil), representing the write-down on the plant and equipment to the recoverable amount was recognised in "Other operating expenses" (Note 14) line item of comprehensive income and expenditure statement for the financial year ended 31 March 2012.

Notes to the Financial Statements

31 March 2012

5. Intangible assets

	Computer software $	Work-in-Progress $	Total $
Cost:			
At 1 April 2010	1,216,144	–	1,216,144
Additions	244,200	150,623	394,823
At 31 March 2011 and 1 April 2011	1,460,344	150,623	1,610,967
Additions	1,043,990	53,396	1,097,386
Transfer of assets	185,095	(185,095)	–
At 31 March 2012	2,689,429	18,924	2,708,353
Accumulated amortisation:			
At 1 April 2010	332,979	–	332,979
Amortisation for the year	262,375	–	262,375
At 31 March 2011 and 1 April 2011	595,354	–	595,354
Amortisation for the year	430,755	–	430,755
At 31 March 2012	1,026,109	–	1,026,109
Carrying amount:			
At 31 March 2012	1,663,320	18,924	1,682,244
At 31 March 2011	864,990	150,623	1,015,613

6. Trade and other receivables

	2011/2012 $	2010/2011 $
Interest receivable	157,437	267,841
Other receivables	8,053	5,634
	165,490	273,475

7. Amount due from/(to) parent ministry

Amount due from/(to) parent ministry is unsecured, non-interest bearing and is repayable in cash on demand.

Notes to the Financial Statements

31 March 2012

8. Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise the following:

	2011/2012 $	2010/2011 $
Cash maintained with Accountant–General's Department ("AGD")	52,783,917	73,322,766

Included in the cash and cash equivalents are:

(i) an amount of $809,005 (2010/2011: $231,539) which does not earn any interest.

(ii) the remaining balance of $51,974,911 (2010/2011: $73,091,227) is managed under the Centralised Liquidity Management ("CLM") scheme as set out in the Accountant-General's Circular's No. 4/2009. These are short term deposits earning interest ranging from 0.56% to 0.69% (2010/2011: 0.44% to 0.67%) per annum.

9. Trade and other payables

	2011/2012 $	2010/2011 $
Trade payables	1,086,171	576,586
Other payables	1,167,292	62,094
Accrued operating expenses	2,851,455	2,029,943
	5,104,918	2,668,623

Trade payables and other payables are non-interest bearing. Trade payables are normally settled on a 30-days term.

10. Fees received in advance

	Current $	Non-current $	Total $
2011/2012			
Application fees	261,240	–	261,240
Casino license fees	23,099,222	865,164	23,964,386
	23,360,462	865,164	24,225,626
2010/2011			
Application fees	361,460	–	361,460
Casino license fees	25,000,000	24,006,849	49,006,849
	25,361,460	24,006,849	49,368,309

Notes to the Financial Statements

31 March 2012

11. Prepayment

The prepayment amount mainly comprises probity investigation charges paid in advance by the applicants.

12. Provisions

	Current $	Non-current $	Total $
2011/2012			
Financial liabilities:			
Provision for retention bonus	333,892	816,676	1,150,568
Non-financial liabilities:			
Provision for unutilised leave	546,396	–	546,396
Provision for reinstatement cost	–	280,054	280,054
	546,396	280,054	826,450
	880,288	1,096,730	1,977,018
2010/2011			
Financial liabilities:			
Provision for retention bonus	232,088	851,394	1,083,482
Non-financial liabilities:			
Provision for unutilised leave	528,803	–	528,803
Provision for reinstatement cost	–	296,133	296,133
	528,803	296,133	824,936
	760,891	1,147,527	1,908,418

Movement of the provision for retention bonus account is as follows:

	2011/2012 $	2010/2011 $
At 1 April	1,083,482	630,412
Provision for the financial year	259,086	453,070
Payment made for the financial year	(192,000)	–
At 31 March	1,150,568	1,083,482

The retention bonus due to employees is determined based on the expected payout to be made by the Authority in respect of services rendered by these employees up to the end of the reporting period.

Notes to the Financial Statements

31 March 2012

12. Provisions (continued)

Movement of the provision for reinstatement cost account is as follows:

	2011/2012 $	2010/2011 $
At 1 April	296,133	–
Provision for the financial year	53,000	296,133
Payment made for the financial year	(49,800)	–
Write-back for the financial year	(19,279)	–
At 31 March	280,054	296,133

13. Expenditure on manpower

	2011/2012 $	2010/2011 $
Employee benefits expense (including key management personnel):		
Salaries, allowances and bonuses	10,284,635	11,130,798
Defined contribution plans	1,395,816	1,543,990
Other employee benefits	63,296	94,848
	11,743,747	12,769,636
Compensation of key management personnel		
Salaries, bonuses and others	2,084,785	2,350,914
Defined contribution plans	211,230	207,331
Total compensation paid to key management personnel	2,296,015	2,558,245

Key management refers to employees designated as Directors and above who have the authority and responsibility for planning, directing and controlling the activities of the Authority.

14. Other operating expenses

The following items have been included in arriving at other operating expenses:

	2011/2012 $	2010/2011 $
Impairment loss on plant and equipment (Note 4)	112,208	–

Notes to the Financial Statements

31 March 2012

15. Operating surplus

The following item has been included in arriving at operating surplus before statutory contribution to consolidated funds:

	2011/2012 $	2010/2011 $
Plant and equipment expensed off	197,872	363,220
Goods and Services Tax expensed off	631,514	376,491

16. Non-operating income

	2011/2012 $	2010/2011 $
Interest income from short term deposits	378,427	440,642
Compensation income	–	762,917
Others	7,972	4,497
	386,399	1,208,056

17. Statutory contribution to consolidated fund

Under Section 13(1)(e) and the First Schedule of the Singapore Income Tax Act, Chapter 134, the income of the Authority is exempt from income tax.

In lieu of income tax, the Authority is required to make contribution to the Consolidated Fund of the Government in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act (Chapter 319A) and in accordance with the Finance Circular Minute No M5/2005.

There is no contribution for the current financial year as the deficit amount from previous years has been set-off against the current year surplus.

Notes to the Financial Statements

31 March 2012

18. Commitments

(a) *Capital commitments*

Capital expenditure contracted for as at end of the reporting period but not recognised in the financial statements is as follows:

	2011/2012 $	2010/2011 $
Capital commitments in respect of plant and equipment including intangible assets	582,084	1,710,031

(b) *Operating lease commitments – as lessee*

The Authority has entered into operating leases for rental of premises. The non-cancellable leases have tenures of 6 years. Operating lease payments recognised in the comprehensive income and expenditure statement during the year amounted to $1,883,366 (2010/2011: $1,685,873).

Future minimum lease payments payable under these operating leases at the end of the reporting period are as follows:

	2011/2012 $	2010/2011 $
Not later than one year	1,725,774	1,743,833
Later than one year but not later than five years	2,259,832	3,425,621
	3,985,606	5,169,454

(c) *Other commitments*

In addition to the above, the Authority obtains the use of computing equipment and related services under an agreement for a Standard Infocomm Technology Operating Environment ("SOEasy") arrangement, which was entered into between the Government and a third party vendor. The Authority pays a monthly subscription for the use of those equipment and its related services. For the financial year ended 31 March 2012, the Authority made service payments amounting to $517,187 (2010/2011: $2,835) under this arrangement.

Notes to the Financial Statements

31 March 2012

19. Financial risk management objectives and policies

The Authority's principal financial instruments comprise of cash and deposits. The main purpose of these financial instruments is to finance the Authority's operations. The Authority has various other financial assets and liabilities such as trade and other receivables, and trade and other payables and accruals which arise directly from its operations. The Authority does not hold or issue derivative financial instruments for trading purposes.

The main risks arising from the Authority's financial instruments are credit risk and liquidity risk. The Authority reviews and agrees on the policies for managing each of these risks and they are summarised below.

(a) *Credit risk*

The Authority's credit risk is primarily attributable to its cash and cash equivalents and other receivables. The Authority places most of its cash and cash equivalents with AGD where the deposits are placed with high credit quality financial institutions under the CLM scheme, and are available upon request.

The Authority has no significant concentration of credit risk as there are policies that limit the amount of exposure.

The maximum credit risk that the Authority is exposed to is represented by the carrying amounts of its financial assets as stated in the balance sheet.

(b) *Liquidity risk*

The Authority monitors and maintains sufficient cash and cash equivalents to finance its operations.

Liquidity risk analyses
The following table details the remaining contractual maturity of the Authority's financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Authority can be required to pay.

	On demand or within 1 year $	Between 2 to 5 years $	Total $
2011/2012			
Trade and other payables	5,104,918	–	5,104,918
Provision for retention bonus	337,537	891,210	1,228,747
	5,442,455	891,210	6,333,665
2010/2011			
Trade and other payables	2,668,623	–	2,668,623
Amount due to parent ministry	4,500	–	4,500
Provision for retention bonus	240,367	1,231,347	1,471,714
	2,913,490	1,231,347	4,144,837

Notes to the Financial Statements

31 March 2012

20. Fair value of financial instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Cash and cash equivalents, trade and other receivables, amount due from/(to) parent ministry, deposits, trade and other payables

The carrying amounts approximate fair values due to the relatively short-term maturity of these instruments.

Provision for retention bonus
The carrying amount approximates fair value as the expected future contractual cash outflow is discounted to its net present value using an appropriate discount rate.

Classification of financial assets/liabilities
The carrying amounts of the Authority's financial instruments in each of the following categories are as follows:

	2011/2012 $	2010/2011 $
Loans and receivables		
Trade and other receivables	165,490	273,475
Amount due from parent ministry	6,299	–
Deposits	584,231	510,234
Cash and cash equivalents	52,783,917	73,322,766
	53,539,937	74,106,475
Financial liabilities at amortised cost		
Trade and other payables	5,104,918	2,668,623
Amount due to parent ministry	–	4,500
Provision for retention bonus	1,150,568	1,083,482
	6,255,486	3,756,605

21. Capital management

The capital structure of the Authority consists of capital account and accumulated deficit. The Authority's objective when managing capital is to safeguard its ability as a going concern by monitoring and maintaining sufficient cash flows.

22. Authorisation of financial statements

The financial statements of the Authority for the year ended 31 March 2012 were authorised for issue by the members of its Board on 4 July 2012.

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casino
regulatory
authority

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